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**UNITED STATES BANKRUPTCY COURT**  
**DISTRICT OF NEVADA**

In re

SUBMARINA, INC.;

KERENSA INVESTMENT FUND,  
LLC.,

Debtors.

Case No. BK-S-12-22097-MKN

Chapter 11  
Jointly Administered

Case No. 11-24352-mkn

**MARIE ZELLER'S JOINDER IN  
OBJECTION TO SUBMARINA, INC.'S  
FIRST AMENDED DISCLOSURE  
STATEMENT TO DEBTOR'S PLAN OF  
REORGANIZATION**

Hearing Date: September 28, 2016  
Hearing Time: 9:30 a.m.

Marie Zeller ("Creditor") by and through her counsel, the law firm of Fox Rothschild LLP, hereby submits this joinder ("Joinder") in the objection to Submarina, Inc.'s First Amended Disclosure Statement To Debtor's Plan Of Reorganization [Docket No. 495] ("Objection") filed by SD Subbros, Inc., Subbros, Inc., EDRC LLC, J&C Mason Inc., JTJM Inc., J & J Subs Inc., Masquerade Sub Corp., JTW Area Developers Inc., Vonnie Audibert, Paul Simmons, Eddie Alcantar, EricDannenberg, and Joe Mason (collectively, the "Franchisees").

1. Creditor Zeller adopts all of the arguments advanced by the Franchisee's in their Objection as if fully set forth herein.

2. Creditor Zeller further objects that the Disclosure Statement should not only reflect “information regarding the future of the Debtor, including without limitation, how many of the franchises that currently exist will expire, the expiration date for each franchise, and the amount of revenues attributable to each franchise,” but also historical data listing annual store closure count and system revenues since June 2010. Debtor states in page 7 of Disclosure Statement that “Several franchises have closed and the last sale of a new franchise was in 2011.” This information will assist creditors in determining the anticipated future viability of Submarina, Inc., including the cohesiveness of the franchisee and corporate network necessary in the franchise industry, validation from existing franchisees to prospective franchisees which is critical for growth, and accuracy of the proposed Plan’s financial projections, including whether Submarina, Inc. has the financial wherewithal to collect the judgments as is contemplated under the Plan and what the financial impact of doing so would be on the creditors’ recovery.

3. The Disclosure Statement does not show the ability of Submarina to pay for existing franchise stores should a franchisee elect to sell a store to the corporation prior to or upon expiration of their Franchise Agreement. The Disclosure Statement is also silent as to whether franchise transfer fee proceeds will go into the operating profits of Submarina and used to repay creditors in the event a franchisee elects to sell a store to a new or existing franchisee prior to or upon expiration of their Franchise Agreement. The Disclosure Statement is also silent as to whether franchise fees obtained from the sale of new franchises will go into the operating profits of Submarina and used to repay creditors.

4. Zeller further objects that Submarina provides insufficient information for creditors to evaluate the collectability of the franchise judgment. On page 17 of the Disclosure Statement the Debtor states “While the Debtor has made settlement offers to those subject to Awarded Judgment and Supplemental Judgments 1 through 4 these discussions have been nonproductive to date.” Debtor’s Plan is dependent on the collectability of total combined judgments reaching a 75% threshold. The Debtor should inform creditors the dollar amount and terms of settlement offers that were rejected to determine the potential impact on the 75% threshold being achieved.

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1 The Disclosure Statement is inadequate as it does not provide sufficient information to allow  
2 creditors and parties in interest to fully evaluate the plan.

3 DATED this 12th day of September, 2016.

4 **FOX ROTHSCHILD LLP**

5 By: /s/Brett A. Axelrod  
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